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CENTRAL INTELLIGENCE AGENCY
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NAZI WAR CRIMES DISCLOSURE ACT
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8 January 1944

TO: [illegible]
FROM: [illegible]
SUBJECT: [illegible]
[The following text is extremely faint and largely illegible due to heavy noise and poor scan quality. It appears to be a memorandum or letter.]

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cc: 1/2 and 2 Addressed
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1/4 and 5 Enclosed
1/6 and 7 Enclosed ✓

[Redacted signature line]

CHAS. E. [illegible]

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Proposed Basis for Future Operations in Rumania

Assumptions

That, United States policy is such that action against the Communist regime in Rumania by covert means should be undertaken at the earliest opportunity.

That, such operations in the future can only be operated by free Rumanians supported covertly by the United States.

That, such operations to be successful and to obtain maximum support from the Rumanian people must be carried out in the name of King Michael or in the name of a free Rumanian organization headed by King Michael.

Considerations

In view of the present chaotic condition existing among Rumanian refugees, it is essential that a new approach be made to the problem of establishing a suitable free Rumanian organization which will operate under or collaborate intimately with King Michael and which will be capable of rendering effective assistance in the accomplishment of the tasks in view. From all reports the King is the only leader who may inspire the free Rumanians engaged in covert actions and who has the confidence and support of the local Rumanian population.

It is important at this time to establish in the minds of all people concerned that these actions carried out under the name of Michael will avoid confusion in the internal political set-up of liberated Rumania. This will avoid recurrence of a situation similar to that of Mihailovic-Tito in Yugoslavia after World War II.

In order to reach some sort of grouping of the Rumanians at present in exile, serious and immediate consideration should be given to the formation of a national council which should not be equivalent to or substitute a disguised Rumanian government in exile. To avoid previous erroneous thinking on the part of some who were formerly of the Rumanian committee, it should be clearly stipulated that the proposed council is not to be set up on the basis of the Rumanian Constitution nor should it be composed in a fixed ratio between political party representatives and independent former dignitaries. In fact, the council should not be limited in number, and other members may be co-opted as and when they are available (e.g. other Rumanian leaders that may escape from Rumania).

In our opinion the council should be made up of former Rumanian dignitaries or other Rumanians at present in exile who have distinguished themselves in their respective fields of activity. The members are to be selected by the King on the basis of some such criteria. In this way recommendations from various political party agencies in Paris or New York need not be sought, thus obviating discussions and irritation over certain political personalities who should or should not be members of the council.

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In our opinion the main objectives of this council should be:

1. To plan certain phases of and assist in future covert actions to be carried out in Rumania. For obvious security reasons the planning of the operational phases of these actions should not be an attribute of the council as its members. The council should, however, recruit and channel all available free Rumanians in all areas outside of the Iron Curtain. Further, the council shall coordinate the collection of all information pertaining to Rumania from all sources (at present from Israel in particular). Selected members of the council should also be prepared to make public relations and other outlets and disseminate propaganda to the press and other media in Rumania. Later, after the outbreak of hostilities with the U.S.S.R. and after members have undergone proper training, consideration should be given to the utilization of these men for effective sabotage and guerrilla warfare.

2. In addition to the above tasks when and if requested, council members because of their previous experience and background in Rumania should be prepared to recommend to the United States agencies qualified and authoritative views and advice on Rumanian problems.

3. In order to improve relations between members and direct their efforts towards more constructive objectives, we feel that it is very important that real and effective work assignments be given to each individual member. Full employment will obviate in a large measure past experiences of personal quarrels among the members who up to this time have not had a full-time job. The members' time can best be utilized in learning something about the "American way of living".

This project embraces a considerable amount of work but will certainly prove of tremendous benefit to all future governments in their handling of reconstruction and rehabilitation problems after liberation. As an example we recommend that council members be called to head up small sub-committees to deal with and study the following proposed projects:

- (a) American Constitution, government and legislative acts
- (b) State Administration and Functions
- (c) All phases of social life--trade unions--employer-labor relations, etc.
- (d) Economic and industrial developments and trends in the U.S.A.
- (e) Educational system and training
- (f) Finance--Federal Reserve Bank set-up, etc.

Other phases could no doubt also be added and projects could be added as work progresses. The council will then be in a position to determine which particular phase of American life can more easily and to greater advantage be adapted to Rumanian conditions.

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We wish to emphasize that through the above study and planning we do not imply that Rumania or any other country behind the Iron Curtain should simply copy American democracy and its way of living in every item, but instead should adopt only such methods and institutions which can advantageously be developed and installed in their respective liberated countries. Those in charge of future reconstruction and rehabilitation programs in the newly liberated Rumania could be materially assisted in their work if they could have experienced people available who had previously worked in U.S.A. or had an opportunity to study certain phases and methods of "American way of living".

Proposed Organization:

The exact set-up of the council will no doubt be discussed more fully at a later stage with some of the responsible executives in charge of the National Committee for a Free Europe. However, it does occur to us that a workable set-up could be established if the council were headed by King Michael, with an executive committee composed of three members. It is understood that a proposal for an executive committee of this type was made by Mr. M. Barnes last summer and accepted by all parties concerned. Unfortunately, however, the correspondence pertaining to the adoption of such a committee was unhappily couched in such language that it created irritation and dissension among the members of the previous Rumanian committee.

Finance

From past and bitter experience we have learned that the minimum living wage assigned by the HCFE to the various members of the Rumanian National Committee was set at too low a level. It is now recommended that those assigned as members of the council should receive a remuneration commensurate with their position and existing living conditions in the United States or western Europe. The past policy of paying all committee members, irrespective of assigned work, \$300 monthly was, in our opinion, a gross error. High caliber men obliged to live and maintain high level contacts could not under any circumstances make both ends meet on this salary. Consequently, they envied others who had been fortunate in having funds abroad and were forced to supplement their income by outside means.

It is a matter of grave concern that a former Rumanian industrialist, N. Malaxa, who acted as a collaborator with the Nazis and the Communists and who used his fortune to corrupt government officials in Rumania in the past is again in a position to utilize his wealth in attempting to influence the thinking of leading Rumanian nationals in this country. We have been given to understand that action is strongly pursued by the U.S. Justice Department for the deportation of Mr. N. Malaxa. If this person could be deported prior to the formation of the proposed council, we are convinced that the chances of successfully uniting the Rumanian leaders with King Michael would be considerably enhanced.

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We also recommend that immediate consideration be given to the establishment of adequate salaries for council members and other free Rumanians to be assigned in future to this work.

We also recommend that a study be initiated as to the feasibility of utilizing the present Rumanian State blocked funds in the United States for the above purposes.

Immediate Action:

In order to expedite and facilitate the formation of this new Rumanian council under King Michael, it is imperative that the latter return to the United States and personally assist in the discussion and creation of this new free Rumanian council. In 1948 at the time of King Michael's visit to Washington, he was told by U.S. high officials such people and international situation existed in Europe he and his family would be welcome to the United States.

It is strongly recommended that an immediate approach be made to King Michael by neutral and non-political elements who are sufficiently intimate in their relations with him that they can discuss more freely certain aspects of past errors and request his wholehearted support in the formation of this new Rumanian council. To expedite the return of King Michael to the United States it is recommended that discussions on the above points be opened with the King within the next two weeks. A written invitation should be made confirming the verbal invitation issued to him in 1948. It is only after this phase has been accomplished successfully that we may confidently proceed with a plan of action in Rumania.

Aims of Covert Action:

Briefly the immediate scope of this action as it occurs to us at present should include:

- (a) Ascertain the extent of local support that can be depended upon for effective assistance in these covert operations;
- (b) Bolster up morale of the people and strengthen their hope for eventual liberation;
- (c) Re-build prestige of United States and American Government;
- (d) Prepare and encourage at appropriate times direct sabotage acts and guerrilla warfare, etc.

Conclusions and Recommendations:

That, it is in the interest of the United States to expedite the creation of a Free Rumanian Council as an anti-Communist force

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to actively support, participate, and assist in covert operations in Rumania.

2. That, King Michael is the only person who can effectively re-organize the existing free Rumanian factions abroad, and recognizing this, an immediate approach should be made to him in accordance with procedure outlined above.

3. That, the new Rumanian Council should ~~not~~ be organized on a basis of strict unity of political party representatives and independents, but, should include former Rumanian dignitaries and other distinguished experts on Rumania. Under no circumstances should the Council be constituted by or under the government in exile.

4. That, Council members and others selected should receive reasonable remuneration commensurate with position and responsibility assigned to them. This would assure them financial independence and would permit them to devote all their efforts towards this work.

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